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EXAMINER
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STARKS, WILBERT L

ART UNIT	PAPER NUMBER
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2129

DATE MAILED: 09/20/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

10/517,287

Applicant(s)

DERRY, MICHAEL

Examiner

Wilbert L. Starks, Jr.

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 08 December 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-26 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### ***Claim Rejections - 35 USC § 102***

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

2. Claims 1-26 are rejected under 35 U.S.C. 102(b) as being anticipated by Bedell et al (U.S. Patent Number 6,622,128 B1; dated 16 SEP 2003; class 705; subclass 030).

Specifically:

### **Claim 1**

Claim 1's "a) selecting process maps of the tasks to be done in the lawsuit;" is anticipated by Bedell et al, col. 11, lines 61-67 and col. 1, lines 1-10, where it recites:

A work product in a lawsuit being defended by a law firm is any individual legal instrument, legal maneuver or legal procedure performed, produced or completed by the firm for which a fee can be charged. Such work products form a core element of the present invention. Legal fees result from a series or combination of activities and work components that support or make up the work product. The present method specifically avoids **task** number coding and is based on the segmentation, identification and time management of the individual work products which combine to make up a whole legal case. The method provides pre-defined utilization lists of probable work products, their descriptions and activity descriptions, but is also flexible so that written descriptions can be used in lieu of listed items. The system prohibits forced distribution of work products or activity descriptions so that data and communicative characteristics are accurate and maximized.

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Claim 1's "b) setting pricing variables for each task to be done;" is anticipated by Bedell et al, col. 9, lines 32-50, where it recites:

Virtually all insurance company audit processes had their beginnings in some form of litigation guidelines. When the mass movement toward published guidelines first began, the companies were still trying to manage cases individually--the way it had been before and should be today. But principles learned and billing abuses uncovered during that phase of transition suggested that certain cost categorizations pertaining to a universe of lawsuits could be harnessed and controlled. Insofar as the companies were concerned, these categorizations primarily split measurements of litigation success into two definable areas--quality of "defense" and billing--both from cost perspectives on the bottom line. While continuing to be directly related, even derivative of one another, these two areas began to be scrutinized separately by insurance companies. To address both issues with equal levels of control, the companies started producing guidelines in two segments, one part for the handling of a lawsuit, the other to directly address billing parameters and tolerances.

Claim 1's "c) establishing a lawsuit budget;" is anticipated by Bedell et al, Abstract, where it recites:

A process by which litigation or legal billing may be both recorded and monitored in conjunction with budgetary constraints. Legal work products and expenses are logged by a user and recorded in a sortable database. Financial expectations (in the form of budget guidelines) held by an insurance carrier or client can be continuously kept in mind, while time and expenses accrue from an attorney's or legal team's efforts. As time or expenses are entered, corresponding budget information may be displayed. A unified interface provides easy browsing, data entry, and report generation. A navigation bar may provide ready means by which different aspects of the present invention are available.

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Claim 1's "d) providing a case status module with real time information on how the lawsuit is proceeding;" is anticipated by Bedell et al, col. 8, lines 45-59, where it recites:

Insurance companies may presuppose that the work habits, personalities, capabilities and structure of all attorneys and firms are the same. The only chance for a guideline to serve a meaningful purpose is for it to uniformly apply. In analyzing any set of guidelines, the presupposition that all attorneys in all firms will be affected similarly becomes clear. This likely is an inaccurate assumption, because the structure and organization of law firms are very diverse and no two lawyers function exactly the same. The point is, a requirement will not necessarily be carried out with equivalence by different attorneys or firms. For example, instructing attorneys to provide a thirty-day status report will bring a one-line, "nothing to report" letter from one attorney and a twelve-page dissertation from another on virtually the same case.

Claim 1's "e) providing a point and click billing module for automatically sending invoices to corporate counsel; and" is anticipated by Bedell et al, col. 19, lines 13-33, where it recites:

The Navigation Bar 68 appears throughout the process and is available for use at all times. It has six buttons which, by simply clicking the mouse on the appropriate symbol, enable the user to go directly to a page to perform a particular action. Balloon descriptions of each symbol may be shown when the cursor hovers over the icon and help the user determine which button should be selected for a desired action. The buttons may be as follows. The first button 72 accesses the Case Information section and may be labeled by a manila folder. The second button 74 accesses the law firm member-employee Roster Section and may be labeled by the bust of a man. The third button 76 accesses the Work Product Identification and Information section and may be labeled by a legal pad and pen or by a magnifying glass. The fourth button 78 accesses the Work Detail and Time Entries and Itemizations Charged and may be labeled by a calculator or by a dog-eared page with the letters "QE" prominently displayed. The fifth button 80 accesses the Work Product. Billing section and may be labeled by a magnifying glass. The sixth and last button 82 accesses the Whole Case Summary section and may be labeled by a pie chart.

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Claim 1's "f) providing an exceptions module to allow for automatic approval or denial of new work to be done that is beyond the budget." is anticipated by Bedell et al, col. 11, lines 60-67 and col. 12, lines 1-10, where it recites:

A work product in a lawsuit being defended by a law firm is any individual legal instrument, legal maneuver or legal procedure performed, produced or completed by the firm for which a fee can be charged. Such work products form a core element of the present invention. Legal fees result from a series or combination of activities and work components that support or make up the work product. The present method specifically avoids task number coding and is based on the segmentation, identification and time management of the individual work products which combine to make up a whole legal case. The method provides pre-defined utilization lists of probable work products, their descriptions and activity descriptions, but is also flexible so that written descriptions can be used in lieu of listed items. The system **prohibits** forced distribution of work products or activity descriptions so that data and communicative characteristics are accurate and maximized.

### **Claim 2**

Claim 2's "2. The method as claimed in claim 1, further comprising the step of providing statistical reporting, whereby data is stored and statistical information is generated using the data." is anticipated by Bedell et al, col. 14, lines 56-67 and col. 15, lines 1-5, where it recites:

The use of HTML (hypertext mark-up language) is well established, and anticipated developments in the mark-up language arena (such as XML, extensible mark-up language) would be easily adaptable to the invention disclosed herein. Consequently, the data gathering and presentation techniques are believed to be known in the art. However, due to the strong demand for coordinated legal billing and budget monitoring activities over disparate geographic regions, the Internet provides the medium by which a **database** may be stored on a server that is readily available worldwide. Copies of such a database may also be easily made with the primacy of a single database indicated by file tags or imbedded codes. Databases of several cases can be bundled together to provide a more comprehensive database. However, it is at the case

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level that the present invention operates and establishes databases with respect to individual cases.

### **Claim 3**

Claim 3's "3. The method claimed in claim 1, wherein the step of selecting process maps includes selecting each anticipated aspect of the lawsuit and using the process maps that are in the system." is anticipated by Bedell et al, col. 11, lines 61-67 and col. 1, lines 1-10, where it recites:

A work product in a lawsuit being defended by a law firm is any individual legal instrument, legal maneuver or legal procedure performed, produced or completed by the firm for which a fee can be charged. Such work products form a core element of the present invention. Legal fees result from a series or combination of activities and work components that support or make up the work product. The present method specifically avoids **task** number coding and is based on the segmentation, identification and time management of the individual work products which combine to make up a whole legal case. The method provides pre-defined utilization lists of probable work products, their descriptions and activity descriptions, but is also flexible so that written descriptions can be used in lieu of listed items. The system prohibits forced distribution of work products or activity descriptions so that data and communicative characteristics are accurate and maximized.

### **Claim 4**

Claim 4's "4. The method as claimed in claim 1, wherein the step of creating process maps includes identifying each task to be performed in the lawsuit and who will be doing each task. " is anticipated by Bedell et al, col. 11, lines 61-67 and col. 1, lines 1-10, where it recites:

A work product in a lawsuit being defended by a law firm is any individual legal instrument, legal maneuver or legal procedure performed, produced or completed by the firm for which a fee can be charged. Such

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work products form a core element of the present invention. Legal fees result from a series or combination of activities and work components that support or make up the work product. The present method specifically avoids task number coding and is based on the segmentation, identification and time management of the individual work products which combine to make up a whole legal case. The method provides pre-defined utilization lists of probable work products, their descriptions and activity descriptions, but is also flexible so that written descriptions can be used in lieu of listed items. The system prohibits forced distribution of work products or activity descriptions so that data and communicative characteristics are accurate and maximized.

### **Claim 5**

Claim 5's "5. The method as claimed in claim 1, wherein the step of setting price variables includes establishing limits for each task to be performed. " is anticipated by Bedell et al, col. 9, lines 32-50, where it recites:

Virtually all insurance company audit processes had their beginnings in some form of litigation guidelines. When the mass movement toward published guidelines first began, the companies were still trying to manage cases individually--the way it had been before and should be today. But principles learned and billing abuses uncovered during that phase of transition suggested that certain cost categorizations pertaining to a universe of lawsuits could be harnessed and controlled. Insofar as the companies were concerned, these categorizations primarily split measurements of litigation success into two definable areas--quality of "defense" and billing--both from cost perspectives on the bottom line. While continuing to be directly related, even derivative of one another, these two areas began to be scrutinized separately by insurance companies. To address both issues with equal levels of control, the companies started producing guidelines in two segments, one part for the handling of a lawsuit, the other to directly address billing parameters and tolerances.

### **Claim 6**

Claim 6's "6. The method as claimed in claim 1, wherein the step of setting price variable includes inputting upper and lower control limits for each task. " is anticipated by Bedell et al, col. 9, lines 32-50, where it recites:



Virtually all insurance company audit processes had their beginnings in some form of litigation guidelines. When the mass movement toward published guidelines first began, the companies were still trying to manage cases individually--the way it had been before and should be today. But principles learned and billing abuses uncovered during that phase of transition suggested that certain cost categorizations pertaining to a universe of lawsuits could be harnessed and controlled. Insofar as the companies were concerned, these categorizations primarily split measurements of litigation success into two definable areas--quality of "defense" and billing--both from cost perspectives on the bottom line. While continuing to be directly related, even derivative of one another, these two areas began to be scrutinized separately by insurance companies. To address both issues with equal levels of control, the companies started producing guidelines in two segments, one part for the handling of a lawsuit, the other to directly address billing parameters and tolerances.

### Claim 7

Claim 7's "7. The method as claimed in claim 1, wherein the step of setting price variables includes inputting into a data base firm location, type of case, and type of lawyer. " is anticipated by Bedell et al, col. 9, lines 32-50, where it recites:

Virtually all insurance company audit processes had their beginnings in some form of litigation guidelines. When the mass movement toward published guidelines first began, the companies were still trying to manage cases individually--the way it had been before and should be today. But principles learned and billing abuses uncovered during that phase of transition suggested that certain cost categorizations pertaining to a universe of lawsuits could be harnessed and controlled. Insofar as the companies were concerned, these categorizations primarily split measurements of litigation success into two definable areas--quality of "defense" and billing--both from cost perspectives on the bottom line. While continuing to be directly related, even derivative of one another, these two areas began to be scrutinized separately by insurance companies. To address both issues with equal levels of control, the companies started producing guidelines in two segments, one part for the handling of a lawsuit, the other to directly address billing parameters and tolerances.

### Claim 8

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Claim 8's "8. The method as claimed in claim 1, wherein the step of establishing a budget includes generating values for each task, a client electronically submitting the budget to a firm, and the firm either accepting or rejecting the budget by a submission back to the client. " is anticipated by Bedell et al, col. 11, lines 61-67 and col. 1, lines 1-10, where it recites:

A work product in a lawsuit being defended by a law firm is any individual legal instrument, legal maneuver or legal procedure performed, produced or completed by the firm for which a fee can be charged. Such work products form a core element of the present invention. Legal fees result from a series or combination of activities and work components that support or make up the work product. The present method specifically avoids task number coding and is based on the segmentation, identification and time management of the individual work products which combine to make up a whole legal case. The method provides pre-defined utilization lists of probable work products, their descriptions and activity descriptions, but is also flexible so that written descriptions can be used in lieu of listed items. The system prohibits forced distribution of work products or activity descriptions so that data and communicative characteristics are accurate and maximized.

### Claim 9

Claim 9's "9. The method as claimed in claim 8, wherein the step of rejecting the budget includes allowing a firm to generate a counterproposal budget and electronically submit same to the client. " is anticipated by Bedell et al, Abstract, where it recites:

A process by which litigation or legal billing may be both recorded and monitored in conjunction with budgetary constraints. Legal work products and expenses are logged by a user and recorded in a sortable database. Financial expectations (in the form of budget guidelines) held by an insurance carrier or client can be continuously kept in mind, while time and expenses accrue from an attorney's or legal team's efforts. As time or expenses are entered, corresponding budget information may be displayed. A unified interface provides easy browsing, data entry, and report generation. A navigation bar may provide ready means by which different aspects of the present invention are available.

**Claim 10**

Claim 10's "10. The method as claimed in claim 1, wherein the step of providing a case status module includes providing a client with current information on status of a particular lawsuit by transmission of such information over the internet. " is anticipated by Bedell et al, col. 8, lines 45-59, where it recites:

Insurance companies may presuppose that the work habits, personalities, capabilities and structure of all attorneys and firms are the same. The only chance for a guideline to serve a meaningful purpose is for it to uniformly apply. In analyzing any set of guidelines, the presupposition that all attorneys in all firms will be affected similarly becomes clear. This likely is an inaccurate assumption, because the structure and organization of law firms are very diverse and no two lawyers function exactly the same. The point is, a requirement will not necessarily be carried out with equivalence by different attorneys or firms. For example, instructing attorneys to provide a thirty-day status report will bring a one-line, "nothing to report" letter from one attorney and a twelve-page dissertation from another on virtually the same case.

**Claim 11**

Claim 11's "11. The method as claimed in claim 1, wherein the step of providing a point and click billing module includes inputting the work that has been completed into a computer by clicking an ABA code representative of the work area completed, clicking on the specific task performed, clicking on a tab to bill it, and automatically sending a bill via internet to a client. " is anticipated by Bedell et al, col. 19, lines 13-33, where it recites:

The Navigation Bar 68 appears throughout the process and is available for use at all times. It has six buttons which, by simply clicking the mouse on the appropriate symbol, enable the user to go directly to a

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page to perform a particular action. Balloon descriptions of each symbol may be shown when the cursor hovers over the icon and help the user determine which button should be selected for a desired action. The buttons may be as follows. The first button 72 accesses the Case Information section and may be labeled by a manila folder. The second button 74 accesses the law firm member-employee Roster Section and may be labeled by the bust of a man. The third button 76 accesses the Work Product Identification and Information section and may be labeled by a legal pad and pen or by a magnifying glass. The fourth button 78 accesses the Work Detail and Time Entries and Itemizations Charged and may be labeled by a calculator or by a dog-eared page with the letters "QE" prominently displayed. The fifth button 80 accesses the Work Product. Billing section and may be labeled by a magnifying glass. The sixth and last button 82 accesses the Whole Case Summary section and may be labeled by a pie chart.

### **Claim 12**

Claim 12's "12. The method as claimed in claim 1, wherein the step of providing a point-and-click billing module includes electronically sending a bill to a customer, and the customer electronically or manually causing payment to a firm. " is anticipated by Bedell et al, col. 19, lines 13-33, where it recites:

The Navigation Bar 68 appears throughout the process and is available for use at all times. It has six buttons which, by simply clicking the mouse on the appropriate symbol, enable the user to go directly to a page to perform a particular action. Balloon descriptions of each symbol may be shown when the cursor hovers over the icon and help the user determine which button should be selected for a desired action. The buttons may be as follows. The first button 72 accesses the Case Information section and may be labeled by a manila folder. The second button 74 accesses the law firm member-employee Roster Section and may be labeled by the bust of a man. The third button 76 accesses the Work Product Identification and Information section and may be labeled by a legal pad and pen or by a magnifying glass. The fourth button 78 accesses the Work Detail and Time Entries and Itemizations Charged and may be labeled by a calculator or by a dog-eared page with the letters "QE" prominently displayed. The fifth button 80 accesses the Work Product. Billing section and may be labeled by a magnifying glass. The sixth and last button 82 accesses the Whole Case Summary section and may be labeled by a pie chart.

### **Claim 13**

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Claim 13's "13. The method as claimed in claim 1, wherein the step of providing a point and click billing module includes allowing a firm to electronically bill a customer once a task is performed. " is anticipated by Bedell et al, col. 19, lines 13-33, where it recites:

The Navigation Bar 68 appears throughout the process and is available for use at all times. It has six buttons which, by simply clicking the mouse on the appropriate symbol, enable the user to go directly to a page to perform a particular action. Balloon descriptions of each symbol may be shown when the cursor hovers over the icon and help the user determine which button should be selected for a desired action. The buttons may be as follows. The first button 72 accesses the Case Information section and may be labeled by a manila folder. The second button 74 accesses the law firm member-employee Roster Section and may be labeled by the bust of a man. The third button 76 accesses the Work Product Identification and Information section and may be labeled by a legal pad and pen or by a magnifying glass. The fourth button 78 accesses the Work Detail and Time Entries and Itemizations Charged and may be labeled by a calculator or by a dog-eared page with the letters "QE" prominently displayed. The fifth button 80 accesses the Work Product. Billing section and may be labeled by a magnifying glass. The sixth and last button 82 accesses the Whole Case Summary section and may be labeled by a pie chart.

#### **Claim 14**

Claim 14's "14. The method as claimed in claim 1, wherein the step of providing an exceptions module includes allowing a firm to electronically submit requests for approval of new work that is not in a budget, and allowing a client to approve, modify or reject the request. " is anticipated by Bedell et al, col. 11, lines 60-67 and col. 12, lines 1-10, where it recites:

A work product in a lawsuit being defended by a law firm is any individual legal instrument, legal maneuver or legal procedure performed, produced or completed by the firm for which a fee can be charged. Such work products form a core element of the present invention. Legal fees

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result from a series or combination of activities and work components that support or make up the work product. The present method specifically avoids task number coding and is based on the segmentation, identification and time management of the individual work products which combine to make up a whole legal case. The method provides pre-defined utilization lists of probable work products, their descriptions and activity descriptions, but is also flexible so that written descriptions can be used in lieu of listed items. The system **prohibits** forced distribution of work products or activity descriptions so that data and communicative characteristics are accurate and maximized.

### **Claim 15**

Claim 15's "15. The method as claimed in claim 1, wherein the step of providing an exceptions module includes outside counsel submitting a quote for new work, and the system approving the quote if it is within a previously set default pricing variable. " is anticipated by Bedell et al, col. 9, lines 32-50, where it recites:

Virtually all insurance company audit processes had their beginnings in some form of litigation guidelines. When the mass movement toward published guidelines first began, the companies were still trying to manage cases individually--the way it had been before and should be today. But principles learned and billing abuses uncovered during that phase of transition suggested that certain cost categorizations pertaining to a universe of lawsuits could be harnessed and controlled. Insofar as the companies were concerned, these categorizations primarily split measurements of litigation success into two definable areas--quality of "defense" and billing--both from **cost** perspectives on the bottom line. While continuing to be directly related, even derivative of one another, these two areas began to be scrutinized separately by insurance companies. To address both issues with equal levels of control, the companies started producing guidelines in two segments, one part for the handling of a lawsuit, the other to directly address **billing parameters and tolerances**.

### **Claim 16**

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Claim 16's "16. The method as claimed in claim 1, wherein the step of providing an exceptions module includes allowing a client to obtain current status of prior exceptions requests. " is anticipated by Bedell et al, col. 8, lines 45-59, where it recites:

Insurance companies may presuppose that the work habits, personalities, capabilities and structure of all attorneys and firms are the same. The only chance for a guideline to serve a meaningful purpose is for it to uniformly apply. In analyzing any set of guidelines, the presupposition that all attorneys in all firms will be affected similarly becomes clear. This likely is an inaccurate assumption, because the structure and organization of law firms are very diverse and no two lawyers function exactly the same. The point is, a requirement will not necessarily be carried out with equivalence by different attorneys or firms. For example, instructing attorneys to provide a thirty-day status report will bring a one-line, "nothing to report" letter from one attorney and a twelve-page dissertation from another on virtually the same case.

### Claim 17

Claim 17's "17. The method as claimed in claim 2, wherein the step of providing statistical reporting includes graphically outputting historical information based on data that is generated by the system. " is anticipated by Bedell et al, col. 14, lines 56-67 and col. 15, lines 1-5, where it recites:

The use of HTML (hypertext mark-up language) is well established, and anticipated developments in the mark-up language arena (such as XML, extensible mark-up language) would be easily adaptable to the invention disclosed herein. Consequently, the data gathering and presentation techniques are believed to be known in the art. However, due to the strong demand for coordinated legal billing and budget monitoring activities over disparate geographic regions, the Internet provides the medium by which a database may be stored on a server that is readily available worldwide. Copies of such a database may also be easily made with the primacy of a single database indicated by file tags or imbedded codes. Databases of several cases can be bundled together to provide a more comprehensive database. However, it is at the case level that the present invention operates and establishes databases with respect to individual cases.

**Claim 18**

Claim 18's "18. The method as claimed in claim 1, further comprising the step of providing **incentives** for exceptional performance by a firm, electronically notifying a firm of the exceptional performance, and compensating the firm. " is anticipated by Bedell et al, col. 12, lines 11-27, where it recites:

The method allows and **encourages** narrative explanation for each work product established on a case by containing data base text fields for specific work descriptions and specific references. The system is utilized by the firms and the individuals to whom they are reporting for spontaneous and immediate electronic communication through the Internet. Work products are established, budgeted for and managed during case development. The method eliminates the need for after-the-fact auditing of legal bills. The method allows for carrier guidelines to be directly incorporated into the system, via programmed alerts, to maximize guideline compliance. The system enables interim payments to be made by producing detailed legal bills for completed work products that have been pre-communicated to clients/carriers. The system allows all users to view and measure incurred fees and expenses while they are accumulating and before actual bills are submitted for payment.

**Claim 19**

Claim 19's "a module operable for imputing data for establishing a budget, said module including a feature for imputing values to each task, and a feature for imputing the expertise to be used on each task; " is anticipated by Bedell et al, col. 11, lines 61-67 and col. 1, lines 1-10, where it recites:

A work product in a lawsuit being defended by a law firm is any individual legal instrument, legal maneuver or legal procedure performed, produced or completed by the firm for which a fee can be charged. Such work products form a core element of the present invention. Legal fees result from a series or combination of activities and work components



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that support or make up the work product. The present method specifically avoids task number coding and is based on the segmentation, identification and time management of the individual work products which combine to make up a whole legal case. The method provides pre-defined utilization lists of probable work products, their descriptions and activity descriptions, but is also flexible so that written descriptions can be used in lieu of listed items. The system prohibits forced distribution of work products or activity descriptions so that data and communicative characteristics are accurate and maximized.

Claim 19's "a module for statistically reporting each task to verify if it is in control; and" is anticipated by Bedell et al, col. 11, lines 61-67 and col. 1, lines 1-10, where it recites:

A work product in a lawsuit being defended by a law firm is any individual legal instrument, legal maneuver or legal procedure performed, produced or completed by the firm for which a fee can be charged. Such work products form a core element of the present invention. Legal fees result from a series or combination of activities and work components that support or make up the work product. The present method specifically avoids task number coding and is based on the segmentation, identification and time management of the individual work products which combine to make up a whole legal case. The method provides pre-defined utilization lists of probable work products, their descriptions and activity descriptions, but is also flexible so that written descriptions can be used in lieu of listed items. The system prohibits forced distribution of work products or activity descriptions so that data and communicative characteristics are accurate and maximized.

Claim 19's "an exceptions module for accommodating alterations to the budget. " is anticipated by Bedell et al, Abstract, where it recites:

A process by which litigation or legal billing may be both recorded and monitored in conjunction with budgetary constraints. Legal work products and expenses are logged by a user and recorded in a sortable database. Financial expectations (in the form of budget guidelines) held by an insurance carrier or client can be continuously kept in mind, while time and expenses accrue from an attorney's or legal team's efforts. As time or expenses are entered, corresponding budget information may be displayed. A unified interface provides easy browsing, data entry, and

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report generation. A navigation bar may provide ready means by which different aspects of the present invention are available.

### **Claim 20**

Claim 20's "20. The computer based cost management system as claimed in claim 19, further comprising a module for electronically billing a client and receiving automatic approval and payment. " is anticipated by Bedell et al, col. 11, lines 60-67 and col. 12, lines 1-10, where it recites:

A work product in a lawsuit being defended by a law firm is any individual legal instrument, legal maneuver or legal procedure performed, produced or completed by the firm for which a fee can be charged. Such work products form a core element of the present invention. Legal fees result from a series or combination of activities and work components that support or make up the work product. The present method specifically avoids task number coding and is based on the segmentation, identification and time management of the individual work products which combine to make up a whole legal case. The method provides pre-defined utilization lists of probable work products, their descriptions and activity descriptions, but is also flexible so that written descriptions can be used in lieu of listed items. The system **prohibits** forced distribution of work products or activity descriptions so that data and communicative characteristics are accurate and maximized.

### **Claim 21**

Claim 21's "a module that maps out the process of litigation; " is anticipated by Bedell et al, col. 11, lines 61-67 and col. 1, lines 1-10, where it recites:

A work product in a lawsuit being defended by a law firm is any individual legal instrument, legal maneuver or legal procedure performed, produced or completed by the firm for which a fee can be charged. Such work products form a core element of the present invention. Legal fees result from a series or combination of activities and work components that support or make up the work product. The present method specifically avoids **task** number coding and is based on the segmentation, identification and time management of the individual work

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products which combine to make up a whole legal case. The method provides pre-defined utilization lists of probable work products, their descriptions and activity descriptions, but is also flexible so that written descriptions can be used in lieu of listed items. The system prohibits forced distribution of work products or activity descriptions so that data and communicative characteristics are accurate and maximized.

Claim 21's "a module for assigning values to each part of the process; " is anticipated by Bedell et al, col. 9, lines 32-50, where it recites:

Virtually all insurance company audit processes had their beginnings in some form of litigation guidelines. When the mass movement toward published guidelines first began, the companies were still trying to manage cases individually--the way it had been before and should be today. But principles learned and billing abuses uncovered during that phase of transition suggested that certain cost categorizations pertaining to a universe of lawsuits could be harnessed and controlled. Insofar as the companies were concerned, these categorizations primarily split measurements of litigation success into two definable areas--quality of "defense" and billing--both from cost perspectives on the bottom line. While continuing to be directly related, even derivative of one another, these two areas began to be scrutinized separately by insurance companies. To address both issues with equal levels of control, the companies started producing guidelines in two segments, one part for the handling of a lawsuit, the other to directly address **billing parameters and tolerances**.

Claim 21's "a module for inputting the rates to be charged by each counsel; and" is anticipated by Bedell et al, col. 19, lines 13-33, where it recites:

The Navigation Bar 68 appears throughout the process and is available for use at all times. It has six buttons which, by simply clicking the **mouse** on the appropriate symbol, enable the user to go directly to a page to perform a particular action. Balloon descriptions of each symbol may be shown when the cursor hovers over the icon and help the user determine which button should be selected for a desired action. The buttons may be as follows. The first button 72 accesses the Case Information section and may be labeled by a manila folder. The second button 74 accesses the law firm member-employee Roster Section and may be labeled by the bust of a man. The third button 76 accesses the Work Product Identification and Information section and may be labeled by a legal pad and pen or by a magnifying glass. The fourth button 78

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accesses the Work Detail and Time Entries and Itemizations Charged and may be labeled by a calculator or by a dog-eared page with the letters "QE" prominently displayed. The fifth button 80 accesses the Work Product. Billing section and may be labeled by a magnifying glass. The sixth and last button 82 accesses the Whole Case Summary section and may be labeled by a pie chart.

Claim 21's "a module for imputing other information." is anticipated by Bedell et al, col. 8, lines 45-59, where it recites:

Insurance companies may presuppose that the work habits, personalities, capabilities and structure of all attorneys and firms are the same. The only chance for a guideline to serve a meaningful purpose is for it to uniformly apply. In analyzing any set of guidelines, the presupposition that all attorneys in all firms will be affected similarly becomes clear. This likely is an inaccurate assumption, because the structure and organization of law firms are very diverse and no two lawyers function exactly the same. The point is, a requirement will not necessarily be carried out with equivalence by different attorneys or firms. For example, instructing attorneys to provide a thirty-day status report will bring a one-line, "nothing to report" letter from one attorney and a twelve-page dissertation from another on virtually the same case.

### **Claim 22**

Claim 22's "a real time analysis module;" is anticipated by Bedell et al, col. 8, lines 45-59, where it recites:

Insurance companies may presuppose that the work habits, personalities, capabilities and structure of all attorneys and firms are the same. The only chance for a guideline to serve a meaningful purpose is for it to uniformly apply. In analyzing any set of guidelines, the presupposition that all attorneys in all firms will be affected similarly becomes clear. This likely is an inaccurate assumption, because the structure and organization of law firms are very diverse and no two lawyers function exactly the same. The point is, a requirement will not necessarily be carried out with equivalence by different attorneys or firms. For example, instructing attorneys to provide a thirty-day status report will bring a one-line, "nothing to report" letter from one attorney and a twelve-page dissertation from another on virtually the same case.

Claim 22's "a real time budget and cost to complete module; " is anticipated by Bedell et al, Abstract, where it recites:

A process by which litigation or legal billing may be both recorded and monitored in conjunction with budgetary constraints. Legal work products and expenses are logged by a user and recorded in a sortable database. Financial expectations (in the form of budget guidelines) held by an insurance carrier or client can be continuously kept in mind, while time and expenses accrue from an attorney's or legal team's efforts. As time or expenses are entered, corresponding budget information may be displayed. A unified interface provides easy browsing, data entry, and report generation. A navigation bar may provide ready means by which different aspects of the present invention are available.

Claim 22's "an alert module operable to inform someone when the case goes over budget; and" is anticipated by Bedell et al, Abstract, where it recites:

A process by which litigation or legal billing may be both recorded and monitored in conjunction with budgetary constraints. Legal work products and expenses are logged by a user and recorded in a sortable database. Financial expectations (in the form of budget guidelines) held by an insurance carrier or client can be continuously kept in mind, while time and expenses accrue from an attorney's or legal team's efforts. As time or expenses are entered, corresponding budget information may be displayed. A unified interface provides easy browsing, data entry, and report generation. A navigation bar may provide ready means by which different aspects of the present invention are available.

Claim 22's "an exception module operable to permit updating of the budget. " is anticipated by Bedell et al, Abstract, where it recites:

A process by which litigation or legal billing may be both recorded and monitored in conjunction with budgetary constraints. Legal work products and expenses are logged by a user and recorded in a sortable database. Financial expectations (in the form of budget guidelines) held

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by an insurance carrier or client can be continuously kept in mind, while time and expenses accrue from an attorney's or legal team's efforts. As time or expenses are entered, corresponding budget information may be displayed. A unified interface provides easy browsing, data entry, and report generation. A navigation bar may provide ready means by which different aspects of the present invention are available.

### **Claim 23**

Claim 23's "an input module for entering work that has been completed by a firm and generating an invoice; " is anticipated by Bedell et al, col. 19, lines 13-33, where it recites:

The Navigation Bar 68 appears throughout the process and is available for use at all times. It has six buttons which, by simply clicking the mouse on the appropriate symbol, enable the user to go directly to a page to perform a particular action. Balloon descriptions of each symbol may be shown when the cursor hovers over the icon and help the user determine which button should be selected for a desired action. The buttons may be as follows. The first button 72 accesses the Case Information section and may be labeled by a manila folder. The second button 74 accesses the law firm member-employee Roster Section and may be labeled by the bust of a man. The third button 76 accesses the Work Product Identification and Information section and may be labeled by a legal pad and pen or by a magnifying glass. The fourth button 78 accesses the Work Detail and Time Entries and Itemizations Charged and may be labeled by a calculator or by a dog-eared page with the letters "QE" prominently displayed. The fifth button 80 accesses the Work Product. Billing section and may be labeled by a magnifying glass. The sixth and last button 82 accesses the Whole Case Summary section and may be labeled by a pie chart.

Claim 23's "a transfer device for communicating the invoice to a customer, a processing department operated by the customer that is operable to receive the invoice from the transfer device; " is anticipated by Bedell et al, col. 19, lines 13-33, where it recites:

The Navigation Bar 68 appears throughout the process and is available for use at all times. It has six buttons which, by simply clicking the mouse on the appropriate symbol, enable the user to go directly to a page to perform a particular action. Balloon descriptions of each symbol may be shown when the cursor hovers over the icon and help the user determine which button should be selected for a desired action. The buttons may be as follows. The first button 72 accesses the Case Information section and may be labeled by a manila folder. The second button 74 accesses the law firm member-employee Roster Section and may be labeled by the bust of a man. The third button 76 accesses the Work Product Identification and Information section and may be labeled by a legal pad and pen or by a magnifying glass. The fourth button 78 accesses the Work Detail and Time Entries and Itemizations Charged and may be labeled by a calculator or by a dog-eared page with the letters "QE" prominently displayed. The fifth button 80 accesses the Work Product. Billing section and may be labeled by a magnifying glass. The sixth and last button 82 accesses the Whole Case Summary section and may be labeled by a pie chart.

Claim 23's "a means for transmitting payment information to the firm. " is anticipated by Bedell et al, col. 19, lines 13-33, where it recites:

The Navigation Bar 68 appears throughout the process and is available for use at all times. It has six buttons which, by simply clicking the mouse on the appropriate symbol, enable the user to go directly to a page to perform a particular action. Balloon descriptions of each symbol may be shown when the cursor hovers over the icon and help the user determine which button should be selected for a desired action. The buttons may be as follows. The first button 72 accesses the Case Information section and may be labeled by a manila folder. The second button 74 accesses the law firm member-employee Roster Section and may be labeled by the bust of a man. The third button 76 accesses the Work Product Identification and Information section and may be labeled by a legal pad and pen or by a magnifying glass. The fourth button 78 accesses the Work Detail and Time Entries and Itemizations Charged and may be labeled by a calculator or by a dog-eared page with the letters "QE" prominently displayed. The fifth button 80 accesses the Work Product. Billing section and may be labeled by a magnifying glass. The sixth and last button 82 accesses the Whole Case Summary section and may be labeled by a pie chart.

#### **Claim 24**

Claim 24's "24. The cost management system as claimed in claim 23, further comprising a means for providing exceptions to the budget through electronic submission by outside counsel to in-house counsel. " is anticipated by Bedell et al, Abstract, where it recites:

A process by which litigation or legal billing may be both recorded and monitored in conjunction with budgetary constraints. Legal work products and expenses are logged by a user and recorded in a sortable database. Financial expectations (in the form of budget guidelines) held by an insurance carrier or client can be continuously kept in mind, while time and expenses accrue from an attorney's or legal team's efforts. As time or expenses are entered, corresponding budget information may be displayed. A unified interface provides easy browsing, data entry, and report generation. A navigation bar may provide ready means by which different aspects of the present invention are available.

#### **Claim 25**

Claim 25's "25. The cost management system as claimed in claim 24, further comprising a module for tracking each exception that is requested, so as to make decisions based on a litigation process that is consistent for all outside law firms. " is anticipated by Bedell et al, col. 11, lines 60-67 and col. 12, lines 1-10, where it recites:

A work product in a lawsuit being defended by a law firm is any individual legal instrument, legal maneuver or legal procedure performed, produced or completed by the firm for which a fee can be charged. Such work products form a core element of the present invention. Legal fees result from a series or combination of activities and work components that support or make up the work product. The present method specifically avoids task number coding and is based on the segmentation, identification and time management of the individual work products which combine to make up a whole legal case. The method



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provides pre-defined utilization lists of probable work products, their descriptions and activity descriptions, but is also flexible so that written descriptions can be used in lieu of listed items. The system **prohibits** forced distribution of work products or activity descriptions so that data and communicative characteristics are accurate and maximized.

### **Claim 26**

Claim 26's "the corporate counsel generating a budget based on defaults and price variables; " is anticipated by Bedell et al, Abstract, where it recites:

A process by which **litigation** or legal billing may be both recorded and monitored in conjunction with **budgetary constraints**. Legal work products and expenses are logged by a user and recorded in a sortable database. Financial expectations (in the form of budget guidelines) held by an insurance carrier or client can be continuously kept in mind, while time and expenses accrue from an attorney's or legal team's efforts. As time or expenses are entered, corresponding budget information may be displayed. A unified interface provides easy browsing, data entry, and report generation. A navigation bar may provide ready means by which different aspects of the present invention are available.

Claim 26's "the budget being electronically submitted to a law firm; " is anticipated by Bedell et al, Abstract, where it recites:

A process by which **litigation** or legal billing may be both recorded and monitored in conjunction with **budgetary constraints**. Legal work products and expenses are logged by a user and recorded in a sortable database. Financial expectations (in the form of budget guidelines) held by an insurance carrier or client can be continuously kept in mind, while time and expenses accrue from an attorney's or legal team's efforts. As time or expenses are entered, corresponding budget information may be displayed. A unified interface provides easy browsing, data entry, and report generation. A navigation bar may provide ready means by which different aspects of the present invention are available.

Claim 26's "the budget being approved, rejected or modified by the law firm; " is anticipated by Bedell et al, Abstract, where it recites:

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A process by which litigation or legal billing may be both recorded and monitored in conjunction with budgetary constraints. Legal work products and expenses are logged by a user and recorded in a sortable database. Financial expectations (in the form of budget guidelines) held by an insurance carrier or client can be continuously kept in mind, while time and expenses accrue from an attorney's or legal team's efforts. As time or expenses are entered, corresponding budget information may be displayed. A unified interface provides easy browsing, data entry, and report generation. A navigation bar may provide ready means by which different aspects of the present invention are available.

Claim 26's "the case proceeding based upon an agreed upon budget; and" is anticipated by Bedell et al, Abstract, where it recites:

A process by which litigation or legal billing may be both recorded and monitored in conjunction with budgetary constraints. Legal work products and expenses are logged by a user and recorded in a sortable database. Financial expectations (in the form of budget guidelines) held by an insurance carrier or client can be continuously kept in mind, while time and expenses accrue from an attorney's or legal team's efforts. As time or expenses are entered, corresponding budget information may be displayed. A unified interface provides easy browsing, data entry, and report generation. A navigation bar may provide ready means by which different aspects of the present invention are available.

Claim 26's "the law firm electronically requesting exceptions when a task is outside of the agreed upon budget. " is anticipated by Bedell et al, Abstract, where it recites:

A process by which litigation or legal billing may be both recorded and monitored in conjunction with budgetary constraints. Legal work products and expenses are logged by a user and recorded in a sortable database. Financial expectations (in the form of budget guidelines) held by an insurance carrier or client can be continuously kept in mind, while time and expenses accrue from an attorney's or legal team's efforts. As time or expenses are entered, corresponding budget information may be displayed. A unified interface provides easy browsing, data entry, and

report generation. A navigation bar may provide ready means by which different aspects of the present invention are available.

### ***Conclusion***

3. The prior art made of record and not relied upon is considered pertinent to Applicant's disclosure. Specifically:

- A. Morgan et al. (U.S. Patent Number 5,799,286 A; dated 25 AUG 1998; class 705; subclass 030) discloses an automated activity-based management system.
- B. Wind (U.S. Patent Number 5,583,778 A; dated 10 DEC 1996; class 705; subclass 034) discloses a computer method for collecting on judgments.
- C. Aprile (U.S. Patent Number 5,537,524 A; dated 16 JUL 1996; class 345; subclass 440) discloses a process for converting two dimensional data into a multidimensional flow model.

Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Wilbert L. Starks, Jr. whose telephone number is (571) 272-3691.

Application/Control Number: 10/517,287

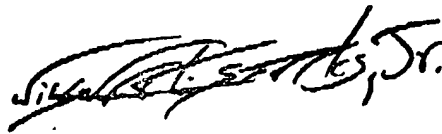
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Alternatively, inquiries may be directed to the following:

**S. P. E. David Vincent** (571) 272-3080

**Official (FAX)** (571) 273-8300

A handwritten signature in black ink, appearing to read "Wilbert L. Starks, Jr.", with a stylized, cursive script.

Wilbert L. Starks, Jr.  
Primary Examiner  
Art Unit 2129

WLS

18 September 2006